

**Workforce Development Division Report
for
APRIL 12, 2012
Workforce Development Council Meeting**

Date: April 11, 2012
Area: Statewide
Prepared by: WDD Administration

1. Federal Monitoring

The U.S. Department of Labor, Employment and Training Administration, Region 6 staff conducted an on-site review of the Workforce Investment Act (WIA) and Wagner-Peyser (WP) programs administered by the Department of Labor and Industrial Relations, Workforce Development Division. The review took place during March 27 through April 5, 2012 with a team of six monitors. The scope of the monitoring included:

- Design and Governance
- Program and Grant Management Systems
- Financial Management Systems
- Delivery of Services to Eligible Populations
- Reporting and Data Validation

In addition to review at the State (Administration) Level, monitors held discussions with Honolulu and Hawaii Counties staff, and their Adult, Dislocated Worker and Youth Programs service providers for WIA. Oahu Workforce Investment Board and members of the Workforce Development Council also participated in the review. For the WP program (including WOTC, Veterans Priority of Services, Rapid Response activities), the Honolulu and Waipahu offices were visited, along with the WDD Administration office.

Included in the eight days of review, DLIR and the local area program operators were fortunate to have a half-day financial management training and two days of Data Validation and Reporting training conducted by DOL staff specializing in those areas that was coordinated by WDD.

A full report of any findings and concerns will be developed by USDOL after discussion among all the monitors. The State will be able to respond and report any corrective action taken as a result of the review.

2. Emergency Unemployment Compensation Reemployment Eligibility Assessment (EUC-REA)

In late February 2012, President Obama signed into law the Middle Class Tax Relief and Job Creation Act of 2012 which made it mandatory to provide reemployment services to recipients of Emergency Unemployment Compensation (EUC). Providing EUC claimants with reemployment assistance can result in more rapid reemployment, shorter claim duration, and minimize erroneous payments.

The Workforce Development Division (WDD) will carry out the Reemployment Eligibility Assessments (REAs) statewide for all new EUC claimants (which consist of those who exhaust regular Unemployment Insurance benefits), and EUC exhaustees who move into the next level of EUC claims. Over 200 claimants per week statewide are expected to be referred for REA services.

REA services for EUC claimants will generally consist of a single session that will provide labor market information, orient claimants to One-Stop Center services, assess skills of each claimant, and review each claimant's work search activities. DLIR will receive \$85 per each EUC claimant who completes REA services. Claimants who fail to complete the REA session will be reported to Unemployment Insurance Division, and the individual may be disqualified from receiving EUC benefits.

Target date for the first group of EUC-REAs is the week beginning April 15, 2012. By law, the last group of EUC claimants will be served at the end of December 2012 when EUCs expire.

3. New Grant Request for (Regular) Reemployment Eligibility Assessment (REA)

Through UI Division, WDD submitted a plan to the federal government to continue the regular REA program for randomly selected UI claimants. This plan mandates three sessions for each selected claimant that provides similar services as for the EUC-REA, but over a longer period of time and with two follow-up sessions following the initial orientation. The amount of funds requested for FY 2012 is \$ 703,100, which is the same amount awarded for the current year.

A comparison of UI claim duration showed that those claimants who were referred to REA services filed their claims for a shorter period than a control group of UI claimants who were not referred to REA services. The reduction varied per quarter from about a half week to almost a full week. Based on an average weekly UI benefit of \$420/week, this translates to a savings of over \$2 million in the UI Trust Fund.

This kind of success in the REA program prompted the President to mandate REAs for all EUC claimants. About four years ago, Hawaii was one of about eight states implementing REA, but the number of states has grown to 42 because of REA's proven track record.

4. WIA Allocations (See Attachment)